

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>OASIS LEGAL FINANCE GROUP, LLC; OASIS LEGAL FINANCE, LLC; OASIS LEGAL FINANCE OPERATING COMPANY, LLC; and PLAINTIFF FUNDING HOLDING, INC., d/b/a LAWCASH, Plaintiffs, v. JOHN W. SUTHERS, in his capacity as Attorney General of the State of Colorado, and LAURA E. UDIS, in her capacity of the Administrator, Uniform Consumer Credit Code, Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General PAUL CHESSIN, Senior Assistant Attorney General* 1525 Sherman Street, 7th Floor Denver, Colorado 80203 Telephone: (303) 866-4494 Registration Number: 12695 *Counsel of Record</p>	<p>Case No. 2010CV8380 Courtroom 5</p>
<p style="text-align: center;">DEFENDANTS' ANSWER AND COUNTERCLAIMS</p>	

Defendants, John W. Suthers, in his capacity as Attorney General of the State of Colorado, and Laura E. Udis, in her capacity as the Administrator, Uniform Consumer Credit Code (collectively the State), for their answer and counterclaims to the Complaint for Declaratory Judgment, dated October 21, 2010 (Complaint):

Introduction. State that the allegations in the Complaint's Introduction are legal and policy arguments inappropriate for a complaint and as to which no response is required.

1. Allege they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 1 of the Complaint, except admit that the Oasis companies are somehow related, are organized under Delaware law,

and have principal offices in Northbrook, Illinois.

2. Admit the allegations of paragraph 2 of the Complaint, except state that plaintiff Plaintiff Funding Holding, Inc, d/b/a/ LawCash, apparently misstated its name as "Funding Holding, Inc."

3. Admit the allegations of paragraph 3 of the Complaint.

4. Admit the allegations of paragraph 4 of the Complaint.

5. Admit the allegations of paragraph 5 of the Complaint.

6. Deny the allegations of paragraph 6 of the Complaint.

7. Deny the allegations of paragraph 7 of the Complaint, except admit that plaintiffs are in the business of making advances to consumers who have personal injury, insurance, or similar claims, and that plaintiffs' advances are secured by the proceeds of the consumers' claims.

8. Deny the allegations of paragraph 8 of the Complaint, except admit that plaintiffs' transactions with consumers purport to be "purchases" of the right to a portion of the proceeds of the consumers' claims and state that the first and second sentences of paragraph 8 are legal argument inappropriate for a complaint and as to which no response is required.

9. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 9 of the Complaint, except admit that plaintiff Oasis may have started doing business in Colorado in 2004 and plaintiff LawCash may have started doing business in Colorado in 2001.

10. Deny the allegations in paragraph 10 of the Complaint, except admit that plaintiffs enter into so-called "funding agreements" with consumers by which plaintiffs advance moneys to consumers and that Exhibits A and B purport to be sample copies of plaintiffs' respective agreements with consumers, the terms of which speak for themselves.

11. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 11 of the Complaint, and state that the terms of plaintiffs' so-called "funding agreements" with consumers speak for themselves.

12. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 12 of the Complaint, and state that the second sentence of paragraph 12 of the Complaint contains legal argument inappropriate for a complaint and as to which no response is required.

13. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 13 of the Complaint.

14. State that the allegations in paragraph 14 of the Complaint are legal or policy arguments inappropriate for a complaint and as to which no response is required.

15. State that the allegations in paragraph 15 of the Complaint are legal or policy arguments inappropriate for a complaint and as to which no response is required, except admit that the consumers to whom plaintiffs advance moneys use the moneys advanced for personal, family, or household purposes.

16. State that the allegations in paragraph 16 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required, and that the Ethics Committee's abstract therein referred speaks for itself.

17. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 17 of the Complaint.

18. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 18 of the Complaint.

19. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 19 of the Complaint.

20. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 20 of the Complaint.

21. Admit the allegations of paragraph 21 of the Complaint, with the qualification that the April 29, 2010, opinion letter therein referred expressed the Administrator's - and not, strictly, the Attorney General's - interpretation of the Colorado Uniform Consumer Credit Code and enforcement policy regarding "litigation funding" and similar transactions, and

that the opinion letter speaks for itself.

22. Admit the allegations of paragraph 22 of the Complaint, with the qualification that the July 13, 2010, letters therein referred were sent on behalf of the Administrator.

23. Deny the allegations of paragraph 23 of the Complaint, and state that the allegations therein are legal argument inappropriate for a complaint and as to which no response is required.

24. Deny the allegations of paragraph 24 of the Complaint, and state that the allegations therein are legal argument inappropriate for a complaint and as to which no response is required.

25. For their answer to paragraph 25 of the Complaint, repeat and reallege their answers to paragraphs 1 through 24 of the Complaint, as if alleged herein.

26. State that the allegations of paragraph 26 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required.

27. Admit the allegations of paragraph 27 of the Complaint.

28. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 28 of the Complaint.

29. Deny the allegations of paragraph 29 of the Complaint, and state that the allegations therein are legal or policy arguments inappropriate for a complaint and as to which no response is required.

30. State that the allegations of paragraph 30 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required.

31. State that the allegations of paragraph 31 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required, except admit that the relief therein alleged appears to be the relief plaintiffs seek by their Complaint.

32. For their answer to paragraph 32 of the Complaint,

repeat and reallege their answers to paragraphs 1 through 31 of the Complaint, as if alleged herein.

33. State that the allegations of paragraph 33 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required, except admit that the relief therein alleged appears to be the relief plaintiffs seek by their Complaint.

34. State that the allegations of paragraph 34 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required.

35. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 35 of the Complaint.

36. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 36 of the Complaint.

37. Deny the allegations of paragraph 37 of the Complaint, except admit that, in April 2010, the Attorney General had a telephone conference in which one or more representatives of one or more of plaintiffs may have participated.

38. Allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 38 of the Complaint, except admit that, by letter, dated July 13, 2010, the Administrator notified plaintiffs of her April 29, 2010, opinion letter interpretation concluding that transactions, such as plaintiffs', were loans subject to the Colorado Uniform Consumer Credit Code.

39. State that the allegations of paragraph 39 of the Complaint are legal argument inappropriate for a complaint and as to which no response is required, except admit that the relief therein alleged appears to be the relief plaintiffs seek by their Complaint.

FIRST AFFIRMATIVE DEFENSE

40. The Complaint fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

41. Plaintiffs are not authorized to transact business in

Colorado and therefore lack standing or capacity to bring or maintain their Complaint.

THIRD AFFIRMATIVE DEFENSE

42. Issue preclusion bars plaintiffs' claims.

COUNTERCLAIMS

I. INTRODUCTION

43. By these counterclaims, the State seeks to enjoin, preliminarily and permanently, plaintiffs from making or collecting supervised loans to Colorado consumers without being licensed as Colorado supervised lenders and from otherwise violating the Colorado Uniform Consumer Credit Code, §§ 5-1-101, et seq., C.R.S. 2010 (Code), and Colorado Consumer Protection Act, §§ 6-1-101, et seq., C.R.S. 2010 (CPA). The State also seeks other appropriate relief, including consumer restitution, penalties, and other equitable relief.

II. PARTIES

44. Defendant John W. Suthers is the duly elected Attorney General of the State of Colorado. He is authorized under CPA § 6-1-103 to enforce the CPA, and may bring a civil action against a person for engaging in deceptive trade practices. In such action, the State may seek injunctive relief to prohibit the person from violating the CPA, obtain consumer restitution, and collect civil penalties for violations of the CPA. See CPA §§ 6-1-110, 6-1-112, and 6-1-113.

45. Defendant Laura E. Udis is the duly appointed Administrator of the Uniform Consumer Credit Code. She is authorized to enforce compliance with the Code, see Code §§ 5-6-101, et seq.; and may bring a civil action against a creditor for making or collecting charges in excess of those permitted by the Code. In such action, the Administrator may seek injunctive relief to restrain persons from violating the Code, obtain consumer restitution, and collect civil penalties for violations of the Code. See Code §§ 5-6-111, 5-6-113, and 5-6-114.

46. Plaintiffs Oasis Legal Finance Group, LLC, Oasis Legal Finance, LLC, and Oasis Legal Finance Operating Company, LLC (collectively Oasis), are related Delaware corporations with principal offices in Northbrook, Illinois. Among other things, they share managers and principal offices.

47. Plaintiff Plaintiff Funding Holding, Inc., d/b/a LawCash (LawCash), is a Delaware corporation with principal offices in Brooklyn, New York.

III. GENERAL FACTS

Plaintiffs' Businesses

48. Plaintiffs are principally engaged in what is commonly called "litigation" or "legal" "funding" or "financing." These transactions involve advancing moneys to consumers who have personal injury or insurance claims or lawsuits. Typically, the business is repaid its advance, plus an additional amount, out of the proceeds of the consumer's claim, such as from the consumer's settlement or judgment.

Oasis

49. Oasis began engaging in its transactions in Colorado with Colorado consumers some time in 2004. Since then, it has been regularly engaged in its transactions.

50. Oasis describes its transactions as the consumer's purported "sale and assignment," and Oasis's purported "purchase," of a portion of the anticipated proceeds of the consumer's ultimate settlement or judgment.

51. At all relevant times, Oasis, through its website or otherwise:

a. Proclaimed that it "is a national lawsuit lending firm" that "offers legal funding nationwide."

b. Claimed that it is "the most active firm in the legal financing industry."

c. Claimed that its transactions are a "non-recourse purchase of a portion of the proceeds" of the consumer's case's future judgment or settlement.

d. Specifically represented, in bold lettering, that its type of transaction "IS NOT A LOAN."

52. Since it began in business in Colorado, Oasis has entered into approximately 1,000 transactions with Colorado consumers.

53. As part of its transactions, Oasis enters into form

contracts, called a "Purchase Agreement," with the consumers. Oasis also has the consumer execute other documents, including ones entitled "Payment Instructions" and "Credit and Information Release."

54. By the Purchase Agreement, Oasis advances a sum of money to the consumer. In return, the consumer purportedly "sells and assigns," and Oasis purportedly "buys and assumes," the "right to receive a portion of the Proceeds" of the consumer's claim.

55. The consumer also "irrevocably authorizes" Oasis to file "from time to time" financing statements.

56. The Purchase Agreement provides the transaction's repayment terms, i.e., the amount due Oasis out of the proceeds of the consumer's claim. This amount is a multiple of the amount Oasis advanced and depends upon the time that has elapsed between the date of the advance and the date proceeds are realized from the consumer's claim.

57. The Purchase Agreement also requires the consumer to pay other fees, including a periodic "case servicing fee," a "subsequent case review fee," and fees for "facsimile and photocopying."

58. The Purchase Agreement also provides Oasis the "right to assess" a late fee under certain circumstances.

59. The Purchase Agreement: (a) states that it shall be "governed, construed and enforced in accordance with the laws of the State of Tennessee;" (b) fixes the venue of any cause of action arising thereunder in the Circuit Court of Cook County, Illinois; and (c) has the consumer consent to the "exclusive jurisdiction" of the Cook County, Illinois, Circuit Court and waive any objection to that court's jurisdiction or venue.

60. The Payment Instructions charge the consumer what is called a "handling fee." The amount of this fee depends both upon the amount of Oasis's advance to the consumer and the method by which the funds are advanced (such as via a Western Union transfer or direct deposit into the consumer's bank account), and ranges from \$59.00 to \$165.00.

61. According to the Payment Instructions, the handling fee is deducted from the amount advanced.

62. None of Oasis's transactions exceed \$75,000.00. Most

are between \$500.00 and \$5,000.00.

63. Oasis's consumers use the moneys Oasis advances for personal, family, or household purposes.

64. Oasis does not, and at no relevant time did, provide in any of its transactions the information, disclosures, or notices required by Code § 5-3-101, such as disclosing the cost of its advances as an annual percentage rate (APR).

65. If the cost to the consumer of Oasis's transactions is calculated as an APR and if the transactions are repaid according to the Purchase Agreements' terms, Oasis's transactions have APRs ranging between approximately 60% and 125%, and possibly higher.

66. Oasis is not, and at no relevant times was, licensed as a supervised lender in Colorado authorized to make supervised loans pursuant to the Code.

LawCash

67. LawCash began engaging in its transactions in Colorado with Colorado consumers some time in 2001. Since then, it has been regularly engaged in its transactions.

68. LawCash describes its transactions as the consumer's purported "sale and assignment," and LawCash's purported "purchase," of a portion of the anticipated proceeds of the consumer's ultimate settlement or judgment.

69. At all relevant times, LawCash, through its website or otherwise:

a. Proclaimed that it "is the nation's leading provider of litigation financing."

b. Stated that its "litigation financing allows personal-injury victims [and] lawsuit plaintiffs . . . to pay expenses and manage cash flow while awaiting the resolution of their claims."

c. Stated that "Personal-injury victims and lawsuit plaintiffs sometimes have trouble paying their medical bills, mortgage, rent, or other living expenses while waiting for the legal process to take its course [and that] LawCash litigation financing can help level the playing field for you!"

d. Claimed that its transactions "fall into the category of funding known as 'non-recourse funding.'"

e. Specifically represented that its "litigation financing advances are not loans."

70. Since it began in business in Colorado, LawCash has entered into over 1,400 transactions with Colorado consumers.

71. As part of its transactions, LawCash enters into form contracts, called a "Lawsuit Investment Agreement," with the consumers.

72. By the Lawsuit Investment Agreement, LawCash advances a sum of money to the consumer. In return, the consumer purportedly "sell[s] and assign[s] an interest in the [consumer's] Lawsuit equal to the Purchase Price [the amount of LawCash's advance], together with the agreed return on LAW CASH's investment."

73. By the Lawsuit Investment Agreement, the consumer also purports to grant LawCash a "security interest" in the proceeds of the consumer's lawsuit.

74. The Lawsuit Investment Agreement provides the transaction's repayment terms, i.e., the amount due LawCash out of the proceeds of the consumer's claim. In particular, LawCash contracts to receive a 42% "Annual Percentage Rate of Return" on its "investment."

75. The Lawsuit Investment Agreement also requires the consumer to pay other fees, including a "Case Monitoring Fee" and an "Investment Fee." The Lawsuit Investment Agreement states that other unspecified fees also may apply.

76. The Lawsuit Investment Agreement: (a) states that it "will be construed in accordance with the laws of the State of New York;" (b) fixes the venue of any cause of action arising thereunder in either the Supreme Court or the Civil Court in the County of Kings, New York; and (c) has the consumer consent to the jurisdiction of either the Kings County, New York, Supreme Court or Civil Court.

77. None of LawCash's transactions exceed \$75,000.00. Most are between \$500.00 and \$5,000.00.

78. LawCash's consumers use the moneys LawCash advances for personal, family, or household purposes.

79. LawCash does not, and at no relevant time did, provide in any of its transactions the information, disclosures, or notices required by Code § 5-3-101, such as disclosing the cost of its advances as an APR.

80. If the cost to the consumer of LawCash's transactions is calculated as an APR and if the transactions are repaid according to the Lawsuit Investment Agreements' terms, LawCash's transactions have APRs ranging between approximately 65% and 215%, and possibly higher.

81. LawCash is not, and at no relevant times was, licensed as a supervised lender in Colorado authorized to make supervised loans pursuant to the Code.

The State's Investigation

82. In or about July 2010, the Administrator became aware of both Oasis and LawCash and that they were engaging in their transactions in Colorado.

83. The Administrator thereupon began investigating Oasis and LawCash and their respective activities.

84. As part of this investigation, the Administrator viewed Oasis's and LawCash's respective websites. She also requested that they provide her with certain information regarding their respective businesses.

85. Based on the information Oasis and LawCash provided, the State determined that Oasis's and LawCash's business and activities violated the Code and CPA.

86. In particular, the Administrator determined that Oasis's and LawCash's transactions are consumer loans subject to the Code. The difference between (a) the amount advanced, and (b) the amount received in repayment thereof plus all other fees charged, assessed, collected, or received in connection therewith, is the loan's finance charge. Further, because their respective transactions have effective APRs in excess of 12%, the transactions are supervised loans under Code § 5-1-301(47), for which Oasis and LawCash were required to be licensed pursuant to Code § 5-2-301. She also determined that the effective APRs of their transactions exceeded any allowable loan finance charge under Code § 5-2-201.

87. Accordingly, beginning in August 2010, the State made demand upon Oasis and LawCash to cease and desist from engaging

in any further transactions. The State also made demand upon them to stop collecting any existing transactions and to make refunds to consumers of all improper and excess finance and other charges they may have charged, assessed, collected, or received in connection with their transactions.

88. To date, neither Oasis nor LawCash have complied with the State's demands.

IV. FIRST COUNTERCLAIM FOR RELIEF - OASIS
INJUNCTIVE RELIEF - CODE

89. The State repeats and realleges paragraphs 43 through 66 and 82 through 88 above, inclusive, as if alleged herein.

90. By reason of the foregoing, Oasis violated, and continues to violate, Code §§ 5-1-201(8) (prohibiting and invalidating agreements that provide the law of another state shall apply, require the consumer to consent to the jurisdiction of another state, or fix venue), 5-2-201 (limiting allowable finance charges), 5-2-202 (limiting allowable additional charges), 5-2-203 (limiting allowable late charges), 5-2-301 (prohibiting making or collecting supervised loans without a supervised lender's license), 5-3-101 (requiring disclosures), and 5-3-110 (prohibiting false, misleading, or deceptive advertising).

91. By reason of the foregoing, and pursuant to Code §§ 5-6-111 and 5-6-113, the Administrator is entitled to injunctive relief preliminarily and permanently restraining Oasis, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the Code, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate.

V. SECOND COUNTERCLAIM FOR RELIEF - OASIS
REFUNDS TO CONSUMERS - CODE
UNLICENSED LENDER

92. The State repeats and realleges paragraphs 43 through 66, 82 through 88, and 90 above, inclusive, as if alleged

herein.

93. None of Oasis's other fees, such as its "case servicing fee," "subsequent case review fee," fees for "facsimile and photocopying," "handling fee," or late fees, are allowable additional charges or delinquency charges authorized under Code §§ 5-2-202 or 5-2-203.

94. By reason of the foregoing, Oasis charged, assessed, collected, or received excess charges in violation of Code §§ 5-2-202 and 5-2-203.

95. By reason of the foregoing, all such fees are part of and must be included in the transaction's loan finance charge.

96. Oasis's transactions' finance charges exceed the finance charges allowable under Code § 5-2-201, and are therefore excess charges.

97. By reason of the foregoing, Oasis made and collected, and continues to make and collect, supervised loans without being licensed or otherwise authorized to make or collect such loans in violation of Code § 5-2-301.

98. By reason of the foregoing, and pursuant to Code §§ 5-5-201(1) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the above, the consumer is entitled to a refund of the loan finance charge plus a penalty in an amount to be determined by the Court not in excess of three times the amount of the loan finance charge.

VI. THIRD COUNTERCLAIM FOR RELIEF - OASIS
REFUNDS TO CONSUMERS - CODE
EXCESS CHARGES

99. The State repeats and realleges paragraphs 43 through 66, 82 through 88, 90, and 93 through 96 above, inclusive, as if alleged herein.

100. By reason of the foregoing, and pursuant to Code §§ 5-5-201(2) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge in violation of the above, the consumer is entitled to a refund of the excess charge.

VII. FOURTH COUNTERCLAIM FOR RELIEF - OASIS
REFUNDS TO CONSUMERS - CODE

DISCLOSURE VIOLATIONS

101. The State repeats and realleges paragraphs 43 through 66, 82 through 88, 90, and 93 through 95 above, inclusive, as if alleged herein.

102. In each of its transactions, Oasis did not, and continues not to, provide consumers with the information, disclosures, and notices required by Code § 5-3-101.

103. By way of example, but without limitation, Oasis did not, and continues not to, disclose to consumers the cost to the consumer of its transactions, including the transactions': (a) amount financed; (b) finance charge; (c) total of payments; (d) APRs; or (e) security interest; in the manner required by Code § 5-3-101.

104. By reason of the foregoing, Oasis violated, and continues to violate, Code § 5-3-101.

105. By reason of the foregoing, and pursuant to Code §§ 5-5-202(1) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the above, the consumer is entitled to twice the amount of the loan finance charge, but not less than \$100.00 nor more than \$1,000.00.

VIII. FIFTH COUNTERCLAIM FOR RELIEF - OASIS **CIVIL PENALTY TO CONSUMERS - CODE**

106. The State repeats and realleges paragraphs 43 through 66, 82 through 88, 90, 93 through 96, and 102 through 105 above, inclusive, as if alleged herein.

107. Oasis engaged in its transactions, including making excess charges, in deliberate violation of or in reckless disregard of the Code.

108. Oasis has refused, and continues to refuse, to refund to consumers excess charges within a reasonable time after demand by the Administrator.

109. By reason of the foregoing, and pursuant to Code § 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge, Oasis is required to pay to each such consumer a civil penalty determined by the Court not in excess of the greater of either the amount of the finance charge or ten times the amount of the

excess charge.

IX. SIXTH COUNTERCLAIM FOR RELIEF - OASIS
CIVIL PENALTY TO ADMINISTRATOR - CODE

110. The State repeats and realleges paragraphs 43 through 66, 82 through 88, 90, 93 through 96, 102 through 105, and 107 through 108 above, inclusive, as if alleged herein.

111. Oasis's violations and course of conduct as alleged above are repeated and willful.

112. By reason of the foregoing, and pursuant to Code § 5-6-114(2), the Administrator is entitled to recover from Oasis a civil penalty not to exceed \$5,000.00.

X. SEVENTH COUNTERCLAIM FOR RELIEF - OASIS
CIVIL PENALTY TO THE STATE - CPA
UNLICENSED BUSINESS

113. The State repeats and realleges paragraphs 43 through 66 and 82 through 88 above, inclusive, as if alleged herein.

114. Oasis failed, and continues to fail, to obtain all governmental licenses required to engage in its transactions.

115. By reason of the foregoing, Oasis engaged, and continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1)(z).

116. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XI. EIGHTH COUNTERCLAIM FOR RELIEF - OASIS
CIVIL PENALTY TO THE STATE - CPA
MISLEADING STATEMENTS

117. The State repeats and realleges paragraphs 43 through 66 and 82 through 88 above, inclusive, as if alleged herein.

118. By reason of the foregoing, Oasis made, and continues to make, false or misleading statements of fact concerning its transactions, including, without limitation, the prices thereof.

119. By reason of the foregoing, Oasis engaged, and

continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1).

120. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XII. NINTH COUNTERCLAIM FOR RELIEF - OASIS
CIVIL PENALTY TO THE STATE - CPA
FAILURE TO MAKE DISCLOSURES

121. The State repeats and realleges paragraphs 43 through 66, 82 through 88, 90, 93 through 95, and 102 through 104 above, inclusive, as if alleged herein.

122. In each of its transactions, Oasis failed, and continues to fail, to disclose to the consumer the information, disclosures, and notices required by the Code, such as its transactions' effective APRs.

123. This information was material, and, upon information and belief, was known to Oasis at the time of the transaction and Oasis's failure to disclose the information was intended to induce the consumer to enter into the transaction.

124. By reason of the foregoing, Oasis engaged, and continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1)(u).

125. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XIII. TENTH COUNTERCLAIM FOR RELIEF - OASIS
GENERAL INJUNCTIVE AND OTHER EQUITABLE RELIEF - CPA

126. The State repeats and realleges paragraphs 43 through 66, 82 through 88, and 114 through 125 above, inclusive, as if alleged herein.

127. By reason of the foregoing, and pursuant to CPA § 6-1-110(1), the State is entitled to injunctive relief preliminarily and permanently restraining Oasis, and its officers, directors, agents, servants, employees, attorneys,

heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring Oasis to disgorge to the State or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the CPA.

XIV. ELEVENTH COUNTERCLAIM FOR RELIEF - LAW CASH
INJUNCTIVE RELIEF - CODE

128. The State repeats and realleges paragraphs 43 through 48 and 67 through 88 above, inclusive, as if alleged herein.

129. By reason of the foregoing, LawCash violated, and continues to violate, Code §§ 5-1-201(8) (prohibiting and invalidating agreements that provide the law of another state shall apply, require the consumer to consent to the jurisdiction of another state, or fix venue), 5-2-201 (limiting allowable finance charges), 5-2-202 (limiting allowable additional charges), 5-2-203 (limiting allowable late charges), 5-2-301 (prohibiting making or collecting supervised loans without a supervised lender's license), 5-3-101 (requiring disclosures), and 5-3-110 (prohibiting false, misleading, or deceptive advertising).

130. By reason of the foregoing, and pursuant to Code §§ 5-6-111 and 5-6-113, the Administrator is entitled to injunctive relief preliminarily and permanently restraining LawCash, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the Code, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate.

XV. TWELFTH COUNTERCLAIM FOR RELIEF - LAW CASH

REFUNDS TO CONSUMERS - CODE
UNLICENSED LENDER

131. The State repeats and realleges paragraphs 43 through 48, 67 through 88, and 129 above, inclusive, as if alleged herein.

132. None of LawCash's other fees, such as its "Case Monitoring Fee," "Investment Fee," or other unspecified fees, are allowable additional charges authorized under Code § 5-2-202.

133. By reason of the foregoing, LawCash charged, assessed, collected, or received excess charges in violation of Code § 5-2-202.

134. By reason of the foregoing, all such fees are part of and must be included in the transaction's loan finance charge.

135. LawCash's transactions' finance charges exceed the finance charges allowable under Code § 5-2-201, and are therefore excess charges.

136. By reason of the foregoing, LawCash made and collected, and continues to make and collect, supervised loans without being licensed or otherwise authorized to make or collect such loans in violation of Code § 5-2-301.

137. By reason of the foregoing, and pursuant to Code §§ 5-5-201(1) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the above, the consumer is entitled to a refund of the loan finance charge plus a penalty in an amount to be determined by the Court not in excess of three times the amount of the loan finance charge.

XVI. THIRTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
REFUNDS TO CONSUMERS - CODE
EXCESS CHARGES

138. The State repeats and realleges paragraphs 43 through 48, 67 through 88, 129, and 132 through 135 above, inclusive, as if alleged herein.

139. By reason of the foregoing, and pursuant to Code §§ 5-5-201(2) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge in violation of the above, the consumer is

entitled to a refund of the excess charge.

XVII. FOURTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
REFUNDS TO CONSUMERS - CODE
DISCLOSURE VIOLATIONS

140. The State repeats and realleges paragraphs 43 through 48, 67 through 88, 129, and 132 through 134 above, inclusive, as if alleged herein.

141. In each of its transactions, LawCash did not, and continues not to, provide consumers with the information, disclosures, and notices required by Code § 5-3-101.

142. By way of example, but without limitation, LawCash did not, and continues not to, disclose to consumers the cost to the consumer of its transactions, including the transactions': (a) amount financed; (b) finance charge; (c) total of payments; (d) APRs; or (e) security interest; in the manner required by Code § 5-3-101.

143. By reason of the foregoing, LawCash violated, and continues to violate, Code § 5-3-101.

144. By reason of the foregoing, and pursuant to Code §§ 5-5-202(1) and 5-6-114(1), for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the above, the consumer is entitled to twice the amount of the loan finance charge, but not less than \$100.00 nor more than \$1,000.00.

XVIII. FIFTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
CIVIL PENALTY TO CONSUMERS - CODE

145. The State repeats and realleges paragraphs 43 through 48, 67 through 88, 129, 132 through 135, and 141 through 144 above, inclusive, as if alleged herein.

146. LawCash engaged in its transactions, including making excess charges, in deliberate violation of or in reckless disregard of the Code.

147. LawCash has refused, and continues to refuse, to refund to consumers excess charges within a reasonable time after demand by the Administrator.

148. By reason of the foregoing, and pursuant to Code § 5-6-114(1), for every transaction as may be determined at trial or

otherwise in which a consumer was charged an excess charge, LawCash is required to pay to each such consumer a civil penalty determined by the Court not in excess of the greater of either the amount of the finance charge or ten times the amount of the excess charge.

XXIX. SIXTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
CIVIL PENALTY TO ADMINISTRATOR - CODE

149. The State repeats and realleges paragraphs 43 through 48, 67 through 88, 129, 132 through 135, 141 through 144, and 146 through 147 above, inclusive, as if alleged herein.

150. LawCash's violations and course of conduct as alleged above are repeated and willful.

151. By reason of the foregoing, and pursuant to Code § 5-6-114(2), the Administrator is entitled to recover from LawCash a civil penalty not to exceed \$5,000.00.

XX. SEVENTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
CIVIL PENALTY TO THE STATE - CPA
UNLICENSED BUSINESS

152. The State repeats and realleges paragraphs 43 through 48 and 67 through 88 above, inclusive, as if alleged herein.

153. LawCash failed, and continues to fail, to obtain all governmental licenses required to engage in its transactions.

154. By reason of the foregoing, LawCash engaged, and continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1)(z).

155. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which LawCash engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XXI. EIGHTEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
CIVIL PENALTY TO THE STATE - CPA
MISLEADING STATEMENTS

156. The State repeats and realleges paragraphs 43 through 48 and 67 through 88 above, inclusive, as if alleged herein.

157. By reason of the foregoing, LawCash made, and

continues to make, false or misleading statements of fact concerning its transactions, including, without limitation, the prices thereof.

158. By reason of the foregoing, LawCash engaged, and continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1).

159. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which LawCash engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XXII. NINETEENTH COUNTERCLAIM FOR RELIEF - LAW CASH
CIVIL PENALTY TO THE STATE - CPA
FAILURE TO MAKE DISCLOSURES

160. The State repeats and realleges paragraphs 43 through 48, 67 through 88, 129, 132 through 134, and 141 through 143 above, inclusive, as if alleged herein.

161. In each of its transactions, LawCash failed, and continues to fail, to disclose to the consumer the information, disclosures, and notices required by the Code, such as its transactions' effective APRs.

162. This information was material, and, upon information and belief, was known to LawCash at the time of the transaction and LawCash's failure to disclose the information was intended to induce the consumer to enter into the transaction.

163. By reason of the foregoing, LawCash engaged, and continues to engage, in deceptive trade practices in violation of CPA § 6-1-105(1)(u).

164. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, the State is entitled to a penalty of not more than \$2,000.00 or, in the case of an elderly person, \$10,000.00.

XXIII. TWENTIETH COUNTERCLAIM FOR RELIEF - LAW CASH
GENERAL INJUNCTIVE AND OTHER EQUITABLE RELIEF - CPA

165. The State repeats and realleges paragraphs 43 through 48, 67 through 88, and 153 through 164 above, inclusive, as if alleged herein.

166. By reason of the foregoing, and pursuant to CPA § 6-1-110(1), the State is entitled to injunctive relief preliminarily and permanently restraining LawCash, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring LawCash to disgorge to the State or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the CPA.

WHEREFORE, the State demands judgment, as follows:

(i) dismissing the Complaint, with prejudice;

(ii) as to the First Counterclaim for Relief, preliminarily and permanently restraining Oasis, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the Code, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate;

(iii) as to the Second Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the Code, ordering Oasis to refund to each such consumer the loan finance charge plus a penalty in an amount to be determined by the Court not in excess of three times the amount of the loan finance charge;

(iv) as to the Third Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge in violation of the

Code, ordering Oasis to refund to each such consumer the excess charge;

(v) as to the Fourth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the Code, ordering Oasis to pay to each such consumer twice the amount of the loan finance charge within the limits set forth by statute;

(vi) as to the Fifth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge, ordering Oasis to pay to each such consumer a civil penalty determined by the Court not in excess of the greater of either the amount of the finance charge or ten times the amount of the excess charge;

(vii) as to the Sixth Counterclaim for Relief, ordering Oasis to pay to the Administrator a civil penalty determined by the Court within the limits set forth by statute;

(viii) as to the Seventh Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, ordering Oasis to pay to the State a civil penalty within the limits set forth by statute;

(ix) as to the Eighth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, ordering Oasis to pay to the State a civil penalty within the limits set forth by statute;

(x) as to the Ninth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which Oasis engaged in a deceptive trade practice, ordering Oasis to pay to the State a civil penalty within the limits set forth by statute;

(xi) as to the Tenth Counterclaim for Relief, preliminarily and permanently restraining Oasis, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CPA, together with all such other relief

as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring Oasis to disgorge to the State or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the CPA;

(xii) as to the Eleventh Counterclaim for Relief, preliminarily and permanently restraining LawCash, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the Code, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate;

(xiii) as to the Twelfth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the Code, ordering LawCash to refund to each such consumer the loan finance charge plus a penalty in an amount to be determined by the Court not in excess of three times the amount of the loan finance charge;

(xiv) as to the Thirteenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge in violation of the Code, ordering LawCash to refund to each such consumer the excess charge;

(xv) as to the Fourteenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in violation of the Code, ordering LawCash to pay to each such consumer twice the amount of the loan finance charge within the limits set forth by statute;

(xvi) as to the Fifteenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which a consumer was charged an excess charge, ordering LawCash

to pay to each such consumer a civil penalty determined by the Court not in excess of the greater of either the amount of the finance charge or ten times the amount of the excess charge;

(xvii) as to the Sixteenth Counterclaim for Relief, ordering LawCash to pay to the Administrator a civil penalty determined by the Court within the limits set forth by statute;

(xviii) as to the Seventeenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which LawCash engaged in a deceptive trade practice, ordering LawCash to pay to the State a civil penalty within the limits set forth by statute;

(xix) as to the Eighteenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which LawCash engaged in a deceptive trade practice, ordering LawCash to pay to the State a civil penalty within the limits set forth by statute;

(xx) as to the Nineteenth Counterclaim for Relief, for every transaction as may be determined at trial or otherwise in which LawCash engaged in a deceptive trade practice, ordering LawCash to pay to the State a civil penalty within the limits set forth by statute;

(xxi) as to the Twentieth Counterclaim for Relief, preliminarily and permanently restraining LawCash, and its officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring LawCash to disgorge to the State or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the CPA;

(xxii) as to all Counterclaims for Relief as may be appropriate, interest as may be allowed by contract, law, or otherwise; and

(xxiii) awarding the State the costs and disbursements of this action, including attorney's fees, together with all such further relief as the Court deems just.

Dated: Denver, Colorado
December 21, 2010

JOHN W. SUTHERS
Attorney General

s/ Paul Chessin

PAUL CHESSIN, 12695*
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Denver, Colorado 80203

AG ALPHA: LW UC HZHDO
AG File: P:\UC\UCCHESPZ\UCCC\OASIS\ANSWER (TEST).DOCX

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the within Defendants' Answer and Counterclaims, dated December 21, 2010, was duly served upon all parties herein this 21st day of December, 2010, by E-Service upon:

James R. Miller, Esq.
Paul R. Wood, Esq.
Thomas H. Wagner, Esq.
Moye White, LLP
1400 16th Street, 6th Floor
Denver, Colorado 80202-1027

s/ Ruth Seminara
